

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

THE APPLICATION OF BLUE GRASS RURAL)
ELECTRIC COOPERATIVE CORPORATION)
FOR A CERTIFICATE OF CONVENIENCE)
AND NECESSITY TO BID ON A FRANCHISE)
IN THE TERRITORIAL LIMITS OF CITY)
OF BEREA, MADISON COUNTY, KENTUCKY)
FOR ELECTRIC UTILITY SERVICE)

CASE NO. 8805

O R D E R

On April 11, 1983, Blue Grass Rural Electric Cooperative Corporation ("Blue Grass Electric") filed its Application seeking a certificate of convenience and necessity to qualify it to bid on an electric franchise from the City of Berea, Madison County, Kentucky. KRS 278.020(3) provides that no utility may apply for a franchise from any governmental agency until it has obtained a certificate of convenience and necessity from the Commission based on the Commission's finding that there is a need and demand for the service sought to be rendered.

The Application states, among other things, that Blue Grass Electric desires to bid and acquire the franchise conditioned upon the Commission authorizing direct assessment of the franchise fee upon the affected customers within the territorial limits of the franchise area.

The Commission, having considered the Application and being advised, is of the opinion and finds that:

1. There is a need and demand for electric service in the City of Berea, Madison County, Kentucky.

2. The authority of the Commission is limited to the determination of whether there is a need and demand for the service, and if the Commission determines that there is such need and demand, it must issue a certificate to all parties seeking a right to bid upon the franchise. Public Service Commission, et al. v. Blue Grass Natural Gas Co., 197 S.W.2d 765 (1946). Accordingly, the Commission can make no finding or determination with respect to the validity of any of the provisions of the franchise or the manner in which the franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED That Blue Grass Electric be and it hereby is granted a certificate of convenience and necessity to bid on an electric franchise in the City of Berea, Madison County, Kentucky.

IT IS FURTHER ORDERED That Blue Grass Electric, should it become the successful bidder, file with the Commission a copy of the franchise.

IT IS FURTHER ORDERED That this Order shall not be construed as granting a certificate of convenience and necessity to construct utility facilities.

Done at Frankfort, Kentucky, this 14th day of April 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary